



Uniform Medical Plan Financial Reports

These reports together provide a summary of Uniform Medical Plan (UMP) expenditures versus premium contributions from employers and enrollees.

The reports will be updated quarterly, adding another quarter's claims payments as well as revising the incurred claims estimates for prior quarters. The incurred claims figures for prior quarters will change because they include estimated costs for services that were received but not paid during that quarter. These estimates are revised as additional data from paid claims becomes available.

The UMP premiums are established in advance based on projected costs for each calendar year, and remain constant during that year. On the other hand, UMP claims costs tend to be lower at the beginning of the year, while enrollees pay out-of-pocket for services that apply to their calendar year deductibles. As a result, we would expect the reports to show positive balances for the first quarters of the year, which are then depleted as the year progresses.

Finally, to correspond to the risk groups used for premium rating, each of the reports is separated into three separate tables for:

- Active/non-Medicare Enrollees;
- Enrollees with Medicare Primary Coverage; and
- Total Uniform Medical Plan.

The "Total Uniform Medical Plan" tables include a small number of enrollees enrolled in Conversion Plans, who are not counted in either of the other two categories.

DERIVATION OF INCURRED CLAIM ESTIMATES
(Based on Claim Payments through December 31, 2004)

See below for definitions of column headings

Active / Non-Medicare Enrollees Includes: - Active employees and their dependents - Self-pay enrollees on COBRA, LWOP or RIF, and their dependents - Retirees and retiree dependents, if not enrolled in Medicare					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2004
CY2003/Q1	\$48,567	(\$25,139)	\$30,551	\$53,979	100.0%
CY2003/Q2	61,712	(29,063)	27,817	60,466	100.0%
CY2003/Q3	59,275	(27,032)	29,740	61,983	99.9%
CY2003/Q4	64,209	(29,961)	34,737	68,985	99.7%
CY2003 to date	\$233,763			\$245,413	99.9%

Enrollees with Medicare Primary Coverage Includes retirees and retiree dependents, if enrolled in Medicare					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2004
CY2003/Q1	\$8,869	(\$3,330)	\$5,739	\$11,278	99.9%
CY2003/Q2	13,555	(5,544)	4,803	12,814	99.8%
CY2003/Q3	13,313	(4,638)	4,734	13,409	99.6%
CY2003/Q4	13,462	(4,637)	5,694	14,519	99.4%
CY2003 to date	\$49,199			\$52,020	99.7%

DERIVATION OF INCURRED CLAIM ESTIMATES
(Based on Claim Payments through December 31, 2004)

See below for definitions of column headings

TOTAL Uniform Medical Plan Includes: - Active / nonMedicare enrollees - Enrollees with Medicare primary coverage - Conversion Plan enrollees (not shown above)					
Calendar Year and Quarter	Paid during Quarter (in \$000)	Less: Amount for Services Received in Prior Quarters (in \$000)	Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)	Result: Estimated Incurred Claims (in \$000)	Percent Paid thru 12/31/2004
CY2003/Q1	\$57,488	(\$28,483)	\$36,297	\$65,302	100.0%
CY2003/Q2	75,327	(34,650)	32,681	73,358	99.9%
CY2003/Q3	72,658	(31,777)	34,558	75,439	99.9%
CY2003/Q4	77,712	(34,630)	40,464	83,546	99.7%
CY2003 to date	\$283,185			\$297,645	99.8%

DEFINITIONS OF COLUMN HEADINGS

Paid during Quarter -- Final UMP payments during the quarter for medical and pharmacy claims, regardless of the date services were received.

Amount for Services Received in Prior Quarters -- Final UMP payments during the quarter for medical and pharmacy services received prior to the beginning of that quarter.

Estimated Amount for Services Received but not Paid during Quarter -- Estimated UMP payments for medical and pharmacy services received during the quarter but paid after that quarter ended. Estimates for a particular quarter will be revised as more claims information becomes available.

Estimated Incurred Claims -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter. Includes estimated claims for services received by enrollees during the quarter but not yet paid. Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

Percent Paid thru 12/31/2004 -- Total dollars paid by UMP through 12/31/2004 for services received during the quarter, as a percent of the estimated incurred claims amount. This reflects the "completeness factors" used to derive the incurred claims estimates in this report.

UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through December 31, 2004)

See below for definitions of column headings

Active / Non-Medicare Enrollees											
Includes:											
<ul style="list-style-type: none"> - Active employees and their dependents - Self-pay enrollees on COBRA, LWOP or RIF, and their dependents - Retirees and retiree dependents, if not enrolled in Medicare 											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	Estimated Incurred Claims (in \$000)	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2003/Q1	60,189	19,337	68,644	\$53,979	\$2,880	\$56,859	\$69,068	\$12,209	\$276.11	\$335.39	\$59.29
CY2003/Q2	59,894	19,150	68,289	60,466	3,110	63,576	67,922	4,346	310.33	331.54	21.21
CY2003/Q3	59,402	18,893	67,712	61,983	3,031	65,014	67,348	2,334	320.05	331.54	11.49
CY2003/Q4	60,085	18,929	68,403	68,985	3,595	72,580	68,039	(4,541)	353.69	331.56	(22.13)
CY2003 to date	59,893	19,077	68,262	\$245,413	\$12,616	\$258,029	\$272,377	\$14,348	\$315.00	\$332.51	\$17.52

Enrollees with Medicare Primary Coverage											
Includes retirees and retiree dependents, if enrolled in Medicare											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	Estimated Incurred Claims (in \$000)	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2003/Q1	18,461	10	18,471	\$11,278	\$799	\$12,077	\$12,176	\$99	\$217.95	\$219.73	\$1.79
CY2003/Q2	18,726	11	18,737	12,814	924	13,738	12,351	(1,387)	244.40	219.73	(24.67)
CY2003/Q3	19,001	11	19,013	13,409	713	14,122	12,533	(1,589)	247.58	219.73	(27.86)
CY2003/Q4	19,333	13	19,346	14,519	960	15,479	12,753	(2,726)	266.70	219.74	(46.97)
CY2003 to date	18,880	11	18,892	\$52,020	\$3,396	\$55,416	\$49,813	(\$5,603)	\$244.44	\$219.73	(\$24.72)

UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through December 31, 2004)

See below for definitions of column headings

TOTAL Uniform Medical Plan											
Includes:											
<ul style="list-style-type: none"> - Active / nonMedicare enrollees - Enrollees with Medicare primary coverage - Conversion Plan enrollees (not shown above) 											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	Estimated Incurred Claims (in \$000)	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/ Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/ Deficit Per Adult Unit Per Month
CY2003/Q1	78,677	19,348	87,143	\$65,302	\$3,680	\$68,982	\$81,302	\$12,320	\$263.87	\$310.99	\$47.13
CY2003/Q2	78,647	19,161	87,054	73,358	4,035	77,393	80,331	2,938	296.34	307.59	11.25
CY2003/Q3	78,427	18,905	86,748	75,439	3,745	79,184	79,931	747	304.27	307.14	2.87
CY2003/Q4	79,440	18,942	87,772	83,546	4,557	88,103	80,839	(7,264)	334.59	307.00	(27.59)
CY2003 to date	78,798	19,089	87,179	\$297,645	\$16,017	\$313,662	\$322,403	\$8,741	\$299.83	\$308.18	\$8.36

Note: Children reflected in the Non-Medicare category may contain children covered under the Conversion plan.

DEFINITIONS OF COLUMN HEADINGS

Average Enrollment: Adults -- average monthly enrollment of subscribers and spouses for the applicable quarter.

Average Enrollment: Children -- average monthly enrollment of children for the applicable quarter.

Average Enrollment: Adult Units -- "Adult units" are used in developing UMP rates, and reflect one or more children per enrollee as 0.75 units.
Per adult unit per month converts totals to per single adult.

Estimated Incurred Claims -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter.
Includes estimated claims for services received by enrollees during the quarter but not yet paid.
Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

Administrative and Other Expenses -- includes both administrative functions that are handled in-house (such as Health Care Authority staff assigned to the UMP program and related non-salary expenses), and outsourced services performed by contractors (such as claims processing).
Also includes prescription drug rebates and adjustments to premium stabilization reserves.

Total Estimated Expenses -- the sum of estimated incurred claims and administrative and other expenses.

Employer and Enrollee Contributions -- based on finalized UMP risk-adjusted rates, multiplied by actual plan enrollment. Includes both estimated state (or employer) premium share, as well as enrollee premium contributions.

Excess / Deficit -- employer and enrollee contributions less total estimated expenses.